

SOUTHWEST VIRGINIA LEGAL AID SOCIETY, INC.
Marion, Virginia

AUDITED FINANCIAL STATEMENTS
AND
SUPPLEMENTARY INFORMATION

December 31, 2023
With Comparative Totals for 2022

SOUTHWEST VIRGINIA LEGAL AID SOCIETY, INC.
Marion, Virginia

AUDITED FINANCIAL STATEMENTS

AND

SUPPLEMENTARY INFORMATION

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Southwest Virginia Legal Aid Society, Inc.

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Southwest Virginia Legal Aid Society, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Southwest Virginia Legal Aid Society, Inc. as of December 31, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Southwest Virginia Legal Aid Society, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Southwest Virginia Legal Aid Society, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Southwest Virginia Legal Aid Society, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Southwest Virginia Legal Aid Society, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of activity by fund, as required by Legal Services Corporation, and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including

comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of activity by fund and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 19, 2024 on our consideration of the Southwest Virginia Legal Aid Society, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Southwest Virginia Legal Aid Society, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Southwest Virginia Legal Aid Society, Inc.'s internal control over financial reporting and compliance.

A handwritten signature in blue ink, consisting of the letters 'HBC' in a stylized, cursive font.

HBC Certified Public Accountants
April 19, 2024

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INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors of
Southwest Virginia Legal Aid Society, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Southwest Virginia Legal Aid Society, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated April 19, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Southwest Virginia Legal Aid Society, Inc.’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Southwest Virginia Legal Aid Society, Inc.’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Southwest Virginia Legal Aid Society, Inc.’s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Southwest Virginia Legal Aid Society, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



HBC Certified Public Accountants
April 19, 2024

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INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Directors of
Southwest Virginia Legal Aid Society, Inc.

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Southwest Virginia Legal Aid Society, Inc.’s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Southwest Virginia Legal Aid Society, Inc.’s major federal programs for the year ended December 31, 2023. Southwest Virginia Legal Aid Society, Inc.’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, Southwest Virginia Legal Aid Society, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Southwest Virginia Legal Aid Society, Inc. and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Southwest Virginia Legal Aid Society, Inc.’s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Southwest Virginia Legal Aid Society, Inc.'s federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Southwest Virginia Legal Aid Society, Inc.'s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Southwest Virginia Legal Aid Society, Inc.'s compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Southwest Virginia Legal Aid Society, Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Southwest Virginia Legal Aid Society, Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Southwest Virginia Legal Aid Society, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal*

control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in blue ink, consisting of the letters 'HBC' in a stylized, cursive font.

HBC Certified Public Accountants
April 19, 2024

Southwest Virginia Legal Aid Society, Inc.
 STATEMENTS OF FINANCIAL POSITION
 At December 31, 2023 and December 31, 2022

EXHIBIT 1

	2023	2022
<u>ASSETS</u>		
CURRENT ASSETS:		
Cash & cash equivalents	\$ 1,357,957	\$ 1,361,874
Cash in escrow - client deposits	54	598
Grants receivable	233,812	204,872
Prepaid expenses	61,644	53,218
TOTAL CURRENT ASSETS	<u>1,653,467</u>	<u>1,620,562</u>
LONG-TERM ASSETS:		
Property & equipment	895,706	895,247
Accumulated depreciation	(236,024)	(215,903)
TOTAL LONG-TERM ASSETS	<u>659,682</u>	<u>679,344</u>
TOTAL ASSETS	<u>\$ 2,313,149</u>	<u>\$ 2,299,906</u>
<u>LIABILITIES & NET ASSETS</u>		
CURRENT LIABILITIES:		
Accounts payable	\$ 93,766	\$ 60,111
Client escrow deposits	54	598
Accrued wages	98,792	102,628
Legal Services Corporation carryover	49,682	13,686
Lease liability - current	24,705	22,869
TOTAL CURRENT LIABILITIES	<u>266,999</u>	<u>199,892</u>
LONG-TERM LIABILITIES:		
Accrued vacation pay	136,795	144,479
Lease liability - noncurrent	259,869	284,574
TOTAL LONG-TERM LIABILITIES	<u>396,664</u>	<u>429,053</u>
TOTAL LIABILITIES	<u>663,663</u>	<u>628,945</u>
NET ASSETS:		
Without donor restrictions	<u>17,949</u>	<u>52,657</u>
With donor restrictions:		
Legal Services Corporation property	66,746	76,808
Non - Legal Services Corporation	1,564,791	1,541,496
Total with donor restrictions	<u>1,631,537</u>	<u>1,618,304</u>
TOTAL NET ASSETS	<u>1,649,486</u>	<u>1,670,961</u>
TOTAL LIABILITIES & NET ASSETS	<u>\$ 2,313,149</u>	<u>\$ 2,299,906</u>

The Notes to Financial Statements are an integral part of this statement.

Southwest Virginia Legal Aid Society, Inc.
 STATEMENTS OF ACTIVITIES
 For the year ended December 31, 2023
 with summarized totals for December 31, 2022

EXHIBIT 2
 Page 1 of 2

	WITHOUT DONOR	WITH DONOR RESTRICTIONS			2023	2022
	RESTRICTIONS	LSC	NON - LSC	TOTAL	TOTAL	TOTAL
REVENUES:						
Grant	\$ -	\$ 1,147,694	\$ 2,461,697	\$ 3,609,391	\$ 3,609,391	\$ 3,464,128
Interest income	-	17,053	24,585	41,638	41,638	4,852
In-kind	-	60,555	-	60,555	60,555	45,590
Miscellaneous	6,230	621	8,329	8,950	15,180	25,903
Net assets released from restrictions	3,744,902	(1,251,541)	(2,493,361)	(3,744,902)	-	-
TOTAL REVENUE AND OTHER SUPPORT	3,751,132	(25,618)	1,250	(24,368)	3,726,764	3,540,473
EXPENSES:						
LSC - General	1,031,934	-	-	-	1,031,934	897,137
LSC - Private Attorney Involvement	205,921	-	-	-	205,921	174,243
LSC - Carryover	13,686	-	-	-	13,686	75,008
LSC of VA - State Funds	1,337,416	-	-	-	1,337,416	1,327,210
LSC of VA - Other Funds	269,697	-	-	-	269,697	178,696
DCJS of VA - V-STOP	15,062	-	-	-	15,062	15,062
DCJS of VA - VOCA	265,944	-	-	-	265,944	344,299
DCJS of VA - ARPA	-	-	-	-	-	19,775
DCJS of VA - Trafficking	-	-	-	-	-	3,891

The Notes to Financial Statements are an integral part of this statement.

Southwest Virginia Legal Aid Society, Inc.
 STATEMENTS OF ACTIVITIES
 For the year ended December 31, 2023
 with summarized totals for December 31, 2022

EXHIBIT 2
 Page 2 of 2

	WITHOUT DONOR	WITH DONOR RESTRICTIONS			2023	2022
	RESTRICTIONS	LSC	NON - LSC	TOTAL	TOTAL	TOTAL
EXPENSES (continued):						
DoJ - RURAL & LAV	489,570	-	-	-	489,570	332,352
Commonwealth of VA Campaign	1,035	-	-	-	1,035	1,339
Conferences	30,693	-	-	-	30,693	19,346
Other funds	87,281	-	-	-	87,281	275,038
TOTAL EXPENSES	3,748,239	-	-	-	3,748,239	3,663,396
OTHER CHANGES IN NET ASSETS	(37,601)	15,556	22,045	37,601	-	-
TOTAL CHANGES IN NET ASSETS	(34,708)	(10,062)	23,295	13,233	(21,475)	(122,923)
BEGINNING NET ASSETS	52,657	76,808	1,541,496	1,618,304	1,670,961	1,793,884
ENDING NET ASSETS	\$ 17,949	\$ 66,746	\$ 1,564,791	\$ 1,631,537	\$ 1,649,486	\$ 1,670,961

The Notes to Financial Statements are an integral part of this statement.

Southwest Virginia Legal Aid Society, Inc.
 STATEMENTS OF FUNCTIONAL EXPENSES
 For the year ended December 31, 2023
 with summarized totals for December 31, 2022

EXHIBIT 3

	PROGRAM SERVICES	SUPPORTING SERVICES		2023 TOTAL	2022 TOTAL
		MANAGEMENT AND GENERAL	FUND- RAISING		
Compensation and related expenses:					
Personnel expenses	\$ 2,887,594	\$ 148,048	\$ 25,639	\$ 3,061,281	\$ 3,081,549
Other expenses:					
Program Expenses	267,643	-	-	267,643	174,707
Professional Fees	25,329	-	-	25,329	16,486
Supplies	36,286	1,916	363	38,565	45,549
Telephone	33,247	1,705	296	35,248	36,709
Postage & Shipping	9,586	477	196	10,259	5,168
Occupancy	31,183	3,157	559	34,899	50,582
Maintenance & Repairs	32,251	1,854	261	34,366	31,638
Conferences, Conventions & Meetings	93,765	-	-	93,765	72,087
Printing & Publications	300	-	-	300	-
Dues & Subscriptions	38,656	-	-	38,656	33,741
Lease Expense	49,860	772	73	50,705	50,705
Depreciation & Amortization	19,208	834	79	20,121	27,958
Miscellaneous	35,893	1,179	30	37,102	36,517
Total other expenses	<u>673,207</u>	<u>11,894</u>	<u>1,857</u>	<u>686,958</u>	<u>581,847</u>
Total expenses year ended December 31, 2023	<u>\$ 3,560,801</u>	<u>\$ 159,942</u>	<u>\$ 27,496</u>	<u>\$ 3,748,239</u>	
Total expenses year ended December 31, 2022	<u>\$ 3,486,615</u>	<u>\$ 159,949</u>	<u>\$ 16,832</u>		<u>\$ 3,663,396</u>

The Notes to Financial Statements are an integral part of this statement.

Southwest Virginia Legal Aid Society, Inc.
 STATEMENTS OF CASH FLOWS
 For the years ended December 31, 2023
 and December 31, 2022

EXHIBIT 4

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in Net Assets	\$ (21,475)	\$ (122,923)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation & amortization	20,121	27,958
Lease expense	50,705	50,705
Payment of lease liability	(45,600)	(45,600)
(Increase) Decrease in:		
Grants receivable	(28,940)	133,725
Payroll advances	-	-
Prepaid expenses	(8,426)	(4,923)
Increase (Decrease) in:		
Trade accounts payable	33,655	24,601
Escrow deposits	(544)	212
Accrued wages	(3,836)	746
Deferred revenue - LSC carryover	35,996	(61,322)
Accrued vacation pay	(7,684)	16,525
Net cash provided (used) by Operating Activities	<u>23,972</u>	<u>19,704</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of assets	<u>(28,433)</u>	<u>(32,371)</u>
Net cash provided (used) by Investing Activities	<u>(28,433)</u>	<u>(32,371)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net cash provided (used) by Financing Activities	<u>-</u>	<u>-</u>
NET INCREASE (DECREASE) IN CASH	(4,461)	(12,667)
BEGINNING CASH AND CASH EQUIVALENTS	<u>1,362,472</u>	<u>1,375,139</u>
ENDING CASH AND CASH EQUIVALENTS	<u><u>\$ 1,358,011</u></u>	<u><u>\$ 1,362,472</u></u>
 <u>SUPPLEMENTAL INFORMATION</u>		
Interest paid	<u><u>\$ 22,731</u></u>	<u><u>\$ 24,431</u></u>

The Notes to Financial Statements are an integral part of this statement.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The Southwest Virginia Legal Aid Society, Inc. (SVLAS) is a nonprofit corporation organized for the purpose of providing legal assistance in noncriminal proceedings or matters to persons financially unable to afford legal assistance in Southwest Virginia.

SVLAS is funded principally through grants from the Legal Services Corporation (LSC) and Legal Services Corporation of Virginia (LSCV), which are nonprofit corporations established by federal and state governments to administer a legal assistance program. SVLAS maintains its books using fund accounting.

Basis of Accounting

SVLAS uses the accrual method of accounting for financial reporting. Under this method, revenues and expenses are reflected in the accounts in the period in which they are considered to have been earned or incurred.

Financial Statement Presentation

SVLAS' financial statements are presented in accordance with Financial Accounting Standards Board Codification 958-208 and 958-605. Net assets of SVLAS are reported based on the existence of donor or grantor-imposed restrictions. The following classifications are used to report net assets:

With donor restrictions - The part of the net assets of SVLAS resulting (a) from inflows of assets whose use by SVLAS is limited by donor- or grantor-imposed stipulations that either expires by passage of time or can be fulfilled and removed by actions of SVLAS pursuant to those stipulations or (b) from other asset enhancements and diminishments subject to the same kinds of stipulations.

Without donor restrictions - The part of net assets of SVLAS that is not restricted by donor- or grantor-imposed stipulations.

SVLAS reports grants of cash and other assets as restricted support if they are received with grantor stipulations that limit the use of the grant assets. When the grantor restriction expires—when a stipulated time restriction ends, or purpose restriction is accomplished—temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Fund Accounting

To ensure observance of limitations and restrictions placed on the use of resources available to SVLAS, the accounts of SVLAS are maintained in accordance with the principles of fund accounting. This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into funds established in accordance with laws and regulations or special restrictions and limitations.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

Cash equivalents consist of highly liquid short-term investments with an initial maturity of three months or less. SVLAS maintains cash accounts with several banks. All amounts on deposit are either covered with FDIC coverage or collateralized by securities.

Property and Equipment

SVLAS capitalizes property and equipment over \$5,000. Lesser amounts are expensed. SVLAS capitalizes purchased property and equipment at cost. SVLAS capitalizes donations of property and equipment as contributions at estimated fair market value. SVLAS depreciates capitalized assets using the straight-line method.

Grants and Contracts

SVLAS receives grants and contracts from state and federal agencies, as well as from private organizations, to be used for specific purposes. Any excess of cash receipts over reimbursable expenditures is included in net assets for that fund.

Donated Services and Materials

SVLAS reports gifts of land, buildings, and equipment as net assets without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. SVLAS reports gifts of long-lived assets with explicit restrictions as net assets with donor restrictions. Absent explicit donor stipulations about how long those long-lived assets must be maintained, SVLAS reports expirations of donor restrictions starting in the year the asset is placed in service.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles includes the use of estimates that affect the financial statements. Actual results could differ.

Income Taxes

SVLAS is a non-profit corporation generally exempt from income taxes under Section 501 (c)(3) of the Internal Revenue Code. Also, SVLAS' unrelated business income is exempt generally under Sections 511-515 of the Internal Revenue Code. Consequently, no provision for income taxes has been included in the accompanying financial statements.

Comparative Financial Information

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Therefore, such information should be read in conjunction with SVLAS' financial statements for the year ended December 31, 2022, from which the summarized information was derived.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recent Accounting Pronouncements

In June 2016, the FASB issued Accounting Standards Update 2016-13 for Topic 326 *Financial Instruments—Credit Losses* which introduces the current expected credit losses methodology for estimating allowances for credit losses. The FASB has issued further updates to this topic, most recently in March 2022. SVLAS implemented these updates for the year ended December 31, 2023. It did not affect the financial statements or disclosures.

Subsequent Events

Subsequent events have been evaluated as of April 19, 2024, which is the date the financial statements were available to be issued.

During 2023, SVLAS purchased land to construct a parking lot next to the Marion office. Parking lot construction began in 2024. All work necessary to construct the parking lot is estimated at \$36,000. Annual taxes and mowing is estimated at \$3,755.

Events affecting 2024 are described below.

Carryover of LSC of Virginia (LSCV) Funds

Due to the extraordinary and compelling circumstances caused by the COVID-19 Pandemic and SVLAS' receipt of pandemic related funding that was time sensitive, the SVLAS Board of Directors designated \$500,000 of LSCV funds for future use. These funds were unexpended at December 31, 2023. The designation is distinguished as its own fund column on Schedule 3.

LSCV's fiscal year begins July 1st and ends June 30th; undesignated ending net assets of \$616,899 will roll over for general use in SVLAS' 2024 calendar year. LSCV IKEA and ACES grants end permanently on June 30, 2024.

American Rescue Plan Act (ARPA) Funds

SVLAS received ARPA funds of \$86,373 passed through from LSCV. \$86,373 was expended in 2023 and recognized as 2023 revenue.

Interest on Lawyer Trust Account (IOLTA) Funds through LSCV

LSCV administers Virginia's IOLTA program. Attorneys practicing in Virginia must hold pooled client trust accounts in an IOLTA accounts which remit interest earned directly to LSCV. LSCV distributes IOLTA funds to legal aids such as SVLAS. Such distributions are higher than anticipated due to interest rate increases throughout 2023.

Southwest Virginia Legal Aid Society, Inc.
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2023

NOTE 2 – PENSION PLAN

The retirement plan is a defined contribution, simplified employee pension plan under Section 403(b) of the Internal Revenue Code. Determined on an annual basis at the discretion of the Board of Directors, SVLAS may contribute a percentage of each employee’s gross salary as an employer contribution. Employer matching contributions are not allowed under the Plan. All employees are eligible to participate and may make voluntary contributions up to the annual limits as described in the Summary Plan Description.

Contributions to the plan by both staff and SVLAS are paid to a trustee, Mutual of American Life Insurance Company. Participants are immediately vested in their contributions and are responsible for making the investment decisions for their individual account. SVLAS contributed \$141,610 and \$140,117 for the year ended December 31, 2023 and 2022, respectively.

NOTE 3 – PRIVATE ATTORNEY INVOLVEMENT (PAI)

Pursuant to 45 CFR 1614.2, recipients of Legal Services Corporation (LSC) funding are required to devote at least 12.5% of their total award to the involvement of private attorneys or other professionals in the delivery of legal assistance to eligible clients. SVLAS met this requirement in 2023 and 2022.

NOTE 4 – CONTRIBUTED SERVICES

SVLAS recognizes donated services that meet the criteria for recognition under FASB ASC 958-205 *Accounting for Contributions Received and Contributions Made*. Through the PAI program, private attorneys provide professional services pro bono or for reduced fees. SVLAS values private attorney involvement at \$100 per hour. Pro bono cases closed through negotiations, court decisions, or other extensive services are estimated to take 5 hours. Pro bono cases closed through advice or other limited services are estimated to take 1 hour. Pro bono value is recognized as in-kind contributions. Judicare reduced fee cases pay \$50 per hour, approximately ½ the value. The equivalent ½ value unpaid is recognized as in-kind contributions.

<u>Program case type</u>	<u>Closed</u>	<u>2023 Paid</u>	<u>2023 In-kind</u>	<u>2022 In-kind</u>
Pro bono - extensive service	24	\$ -	\$ 12,000	\$ 6,500
Pro bono - limited service	42	-	4,200	1,300
Judicare	172	44,355	44,355	37,790
Totals		<u>\$ 44,355</u>	<u>\$ 60,555</u>	<u>\$ 45,590</u>

Southwest Virginia Legal Aid Society, Inc.
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2023

NOTE 5 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

SVLAS meets cash needs for expenditures with grants received throughout the year. Grant funds are either reimbursements or advances. Receivables reimburse SVLAS cash expended on grant programs; outstanding reimbursements at year-end are reported as grants receivable. Advances provide cash which must be expended on grant programs; outstanding advances at year-end are reported as deferred revenue. Client deposits and prepaid expenses are restricted for specific purposes and unavailable for general expenditure. The Board has not imposed limits on the use of resources without donor-imposed restrictions. Therefore SVLAS considers the following financial assets to be available to meet cash needs for general expenditures within one year:

Available financial assets	2023	2022
Cash & cash equivalents	\$ 1,357,957	\$ 1,361,874
Add: grants receivable	233,812	204,872
Less: deferred revenue	(49,682)	(13,686)
Total available financial assets	\$ 1,542,087	\$ 1,553,060

NOTE 6 – GRANTS RECEIVABLE

Grants receivable at December 31 consists of the following:

Grants receivable description	2023	2022
Victims of Crime Act (VOCA)	\$ 72,609	\$ 90,929
Rural Domestic Violence (RURAL)	92,523	63,284
Legal Assistance for Victims (LAV)	55,077	39,950
Grants less than \$5,000 each	13,603	8,805
Violence Against Women (V-STOP)	-	1,904
Total grants receivable	\$ 233,812	\$ 204,872

NOTE 7 – DEFERRED REVENUE

SVLAS recognizes Legal Services Corporation carryover as deferred revenue because the funds are unexpended and therefore unearned. SVLAS will expend these funds in the next year before expending its Basic Field Grant. Carryover funds were \$49,682 and \$13,686 for the year ended December 31, 2023 and 2022, respectively.

Southwest Virginia Legal Aid Society, Inc.
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 8 – PROPERTY AND EQUIPMENT

SVLAS capitalizes property and equipment over \$5,000. Purchased property and equipment are recorded at cost. Donated property is recorded at fair market value at date of donation. SVLAS depreciates capitalized assets using the straight-line method and the full-year convention. Useful lives are determined as follows:

Buildings	40 years
Building improvements	5 – 40 years
Furniture & Fixtures	5 – 10 years
Software	3 – 7 years

SVLAS purchased \$28,433 and disposed \$0 in property and equipment for the year ended December 31, 2023. Depreciation expense for the year ended December 31, 2023 and 2022 amounted to \$17,881 and \$25,718, respectively. Amortization expense amounted to \$2,240 and \$2,240, respectively.

SVLAS recognized operating lease right-of-use asset and operating lease liability of \$328,612 effective January 1, 2022. Operating lease expense of \$50,705 combines asset amortization and lease interest expense. Asset amortization for the year ended December 31, 2023 and 2022 amounted to \$27,974 and \$26,274, respectively. Amortization applies directly against asset balance.

Property and equipment consist of the following as of December 31:

Property & equipment description	2023			Total 2022
	Non-LSC	LSC	Total 2023	
Land	\$ 64,159	\$ 13,100	\$ 77,259	\$ 48,826
Buildings & improvements	354,157	120,416	474,573	474,573
Right-of-use lease asset	155,459	118,905	274,364	302,338
Law library	-	31,956	31,956	31,956
Furniture & fixtures	-	26,355	26,355	26,355
Software	6,370	4,829	11,199	11,199
Total property & equipment	580,145	315,561	895,706	895,247
Less: accumulated depr. & amort.	(113,071)	(122,953)	(236,024)	(215,903)
Net property & equipment	<u>\$ 467,074</u>	<u>\$ 192,608</u>	<u>\$ 659,682</u>	<u>\$ 679,344</u>

Southwest Virginia Legal Aid Society, Inc.
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 9 – LEASE LIABILITY

SVLAS reviews its contracts for embedded leases and identified assets. One operating lease provides right to use an identified asset, as follows:

Rental of the Christiansburg office. Original term 60 months beginning March 2020. Monthly installments of \$3,800. SVLAS has the option to renew for an additional term of 36 months at \$4,200 and a second renewal of 36 months at \$4,700. The lease is cancelable with one month notice. SVLAS plans to continue the lease through both renewals. On application date January 1, 2022, operating lease liability was determined to be \$328,612. Total term 110 months included the remaining original term and both renewals. Discount rate used was 7.75% based on comparable rates for similar properties.

Operating lease expense of \$50,705 combines asset amortization and lease interest expense. For the year ended December 31, 2023, lease interest amounted to \$22,731 and lease amortization amounted to \$22,869. The weighted-average remaining lease term in months for operating leases is 86 months. The weighted-average discount rate for operating leases is 7.75%.

Maturities of the lease are as follows:

Year	Cash Payments	Lease Principal	Lease Interest	Asset Amort.	Lease Expense
2024	\$ 45,600	\$ 24,705	\$ 20,895	\$ 29,810	\$ 50,705
2025	49,600	30,834	18,766	31,939	50,705
2026	50,400	34,172	16,228	34,477	50,705
2027	50,400	36,917	13,483	37,222	50,705
Thereafter	177,600	157,946	19,654	140,916	160,570
Total	<u>\$ 373,600</u>	<u>\$ 284,574</u>	<u>\$ 89,026</u>	<u>\$ 274,364</u>	<u>\$ 363,390</u>
Discount	<u>(89,026)</u>				
Total lease	<u>\$ 284,574</u>				

NOTE 10 – SERVICE CONTRACTS

SVLAS has several long-term service contracts. These contracts are expensed in the period of service. Material long-term service contracts are as follows:

Cloud hosting of software and backup of the SVLAS Client Database. Renewed for 36 months beginning November 2023. Remaining term 35 months at December 31, 2023. Monthly installments of \$1,090 for selected number of users.

Internet service in Castlewood and Christiansburg. Original term 60 months beginning August 2019. Remaining term 7 months at December 31, 2023. Monthly installments of \$725. Of which Castlewood is \$375 and Christiansburg is \$350.

NOTE 11 – ACCRUED VACATION PAY

Employees of SVLAS are entitled to paid vacation. Employees earn 8.75 hours at the beginning of each month. Employees earn additional hours at the beginning of the year depending on their length of service (8.75 after 3 years, 17.50 after 4 years, 26.25 after 5 years). Employees can accrue a maximum of 225 hours. Once the maximum is reached, additional hours earned are forfeited.

SVLAS liability for accrued vacation pay is calculated as each employee's vacation hours available at December 31 multiplied by their hourly rate. Accrued vacation pay at December 31, 2023 and 2022 was \$136,795 and \$144,479, respectively.

NOTE 12 – FAIR VALUE OF FINANCIAL INSTRUMENTS

The estimated fair values of financial instruments under FASB Codification 825-10, *Disclosures About Fair Value of Financial Instruments*, as amended by FASB Codification 820-10, are determined based on relevant market information. These estimates involve uncertainty and cannot be determined with precision. The following methods and assumptions are used to estimate the fair value of each class of financial instrument.

The carrying amounts of cash and cash equivalents, receivables, prepaids, accrued liabilities, and payables on the statement of financial position approximate fair value due to the short-term nature of these items. The carrying value of lease liability is outstanding principal at December 31, 2023.

FASB Codification 820-10 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. FASB Codification 820-10 also establishes a fair value hierarchy which requires the use of observable inputs and minimizes the use of unobservable inputs when measuring fair value.

The standard describes three levels of inputs that may be used to measure fair value:

- | | |
|---------|--|
| Level 1 | Quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. |
| Level 2 | Inputs other than quoted prices included within Level 1 that are observable for assets or liabilities, either directly or indirectly through corroboration with observable market data. |
| Level 3 | Unobservable inputs used to measure fair value to the extent that observable inputs are not available and that are supported by little or no market activity for the asset or liability at the measurement date. |

SUPPLEMENTARY INFORMATION

Southwest Virginia Legal Aid Society, Inc.
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the year ended December 31, 2023

Federal Granting Agency/ Recipient State Agency/ Grant Program/Grant Number	Assistance Listing Number		Revenues	Expenditures	Note
Legal Services Corporation:					
Direct Payments:					
Legal Services Grant	09.447020	*	\$ 1,134,008	\$ 1,147,910	
Legal Services Carryover	09.447020	*	13,686	13,686	
<i>Total Legal Services Corporation</i>			<u>1,147,694</u>	<u>1,161,596</u>	
Department of Justice:					
Direct Payments:					
Rural Domestic Violence	16.589		275,662	275,662	B(3), C
Legal Assistance for Victims	16.524		213,908	213,908	B(3), C
Pass Through Payments:					
VA DCJS:					
Violence Against Women	16.588		15,062	15,062	B(3)
Crime Victim Assistance	16.575		265,944	265,944	B(3)
LSC of Virginia:					
American Rescue Plan Act	21.027		86,373	86,373	B(3)
<i>Total Department of Justice</i>			<u>856,949</u>	<u>856,949</u>	
Department of the Treasury:					
Pass Through Payments:					
Appalachian Regional Commission:					
Appalachian Area Development	23.002		5,439	4,902	
<i>Total Department of the Treasury</i>			<u>5,439</u>	<u>4,902</u>	
Total Federal Awards			<u>\$ 2,010,082</u>	<u>\$ 2,023,447</u>	

* Denotes Major Program

Notes to the Schedule of Expenditures of Federal Awards

NOTE A - BASIS OF ACCOUNTING

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Southwest Virginia Legal Aid Society, Inc. under programs of the federal government for the year ended December 31, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 US *Code of Federal Regulations* Part 200, *Uniform Administrative Requirement, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Southwest Virginia Legal Aid Society, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of Southwest Virginia Legal Aid Society, Inc.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- (1) Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- (2) Pass-through entity identifying numbers are presented where available.
- (3) Southwest Virginia Legal Aid Society, Inc. elected to use the 10% de minimis cost rate for certain grants as noted.

NOTE C - AMOUNTS PASSED THROUGH TO SUBRECIPIENTS

Of the amount shown for Rural, \$117,334 was passed through to subrecipients.

Of the amount shown for Legal Assistance, \$45,408 was passed through to subrecipients.

I. SUMMARY OF AUDIT RESULTS

FINANCIAL STATEMENTS

Type of Auditor’s report issued:	Unmodified
Prepared in accordance with GAAP?	Yes
Internal control over financials reporting: Material weaknesses identified?	None reported
Significant deficiencies identified?	None reported
Noncompliance material to financial statements noted?	No

FEDERAL AWARDS

Internal control over major programs: Material weaknesses identified?	None reported
Significant deficiencies identified?	None reported
Type of auditor’s report issued on compliance for major program:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance Section 200.516?	No
Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000
Auditee qualified as low-risk auditee?	Yes

Identification of Federal Programs:

<u>ALN</u>	<u>NAME OF FEDERAL PROGRAM OR CLUSTER</u>
09.447020	Legal Services Grant

II. FINANCIAL STATEMENT FINDINGS

There are no financial statement findings to report.

III. FEDERAL AWARD FINDINGS

There are no federal award findings or questioned costs to report.

IV. STATUS OF PRIOR AUDIT FINDINGS

There were no prior audit findings.

Southwest Virginia Legal Aid Society, Inc.
SCHEDULE OF ACTIVITY BY FUND
For the Year Ended December 31, 2023

	Legal Service Corp.				Legal Service Corp. of VA					
	2023 Basic	Private Attorney Involvement	Attorney Donated Services	2022 Carryover	State	CORE	IKEA	ARPA	Designated	ARC
REVENUES:										
Grants	\$ 986,047	\$ 147,961	\$ -	\$ 13,686	\$ 1,445,332	\$ 87,000	\$ 18,983	\$ 86,373	\$ -	\$ 5,439
Interest income	17,053	-	-	-	24,585	-	-	-	-	-
In-kind	-	-	60,555	-	-	-	-	-	-	-
Miscellaneous	621	-	-	-	1,079	-	-	-	-	-
TOTAL REVENUES	<u>1,003,721</u>	<u>147,961</u>	<u>60,555</u>	<u>13,686</u>	<u>1,470,996</u>	<u>87,000</u>	<u>18,983</u>	<u>86,373</u>	<u>-</u>	<u>5,439</u>
EXPENSES:										
Salaries & wages	669,307	76,951	-	13,686	908,635	70,286	63,081	69,367	-	3,603
Payroll taxes	60,100	5,952	-	-	76,038	6,175	1,882	4,133	-	271
Fringe benefits	161,865	7,824	-	-	202,589	28,148	4,968	10,511	-	665
Travel & training	23,211	1,978	-	-	31,634	95	631	-	-	59
Telephone	13,121	1,661	-	-	15,377	1,109	392	451	-	56
Space & occupancy	12,373	567	-	-	17,320	1,091	338	379	-	49
Library up-keep	7,951	1,314	-	-	11,511	874	323	359	-	41
Supplies & contracted services	27,299	4,045	-	-	37,453	2,511	499	1,173	-	114
Insurance	9,460	719	-	-	11,340	464	457	-	-	44
Professional dues	5,130	-	-	-	8,688	-	-	-	-	-
Professional services	10,423	44,355	-	-	14,738	-	-	-	-	-
In-kind professional services	-	-	60,555	-	-	-	-	-	-	-
Litigation	-	-	-	-	96	-	-	-	-	-
Depreciation & amortization	-	-	-	-	-	-	-	-	-	-
Lease expense	-	-	-	-	-	-	-	-	-	-
Other expense	2,304	-	-	-	1,997	-	-	-	-	-
TOTAL EXPENSES	<u>1,002,544</u>	<u>145,366</u>	<u>60,555</u>	<u>13,686</u>	<u>1,337,416</u>	<u>110,753</u>	<u>72,571</u>	<u>86,373</u>	<u>-</u>	<u>4,902</u>
REVENUES OVER (UNDER) EXPENSES	1,177	2,595	-	-	133,580	(23,753)	(53,588)	-	-	537
OTHER CHANGES IN NET ASSETS:										
Acquisition of property	-	-	-	-	(28,433)	-	-	-	-	-
Lease payments	(16,733)	(2,595)	-	-	(26,272)	-	-	-	-	-
Transfer in (out)	15,556	-	-	-	22,045	-	-	-	-	-
NET OTHER CHANGES	<u>(1,177)</u>	<u>(2,595)</u>	<u>-</u>	<u>-</u>	<u>(32,660)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL CHANGES IN NET ASSETS	-	-	-	-	100,920	(23,753)	(53,588)	-	-	537
BEGINNING NET ASSETS	-	-	-	-	515,979	-	37,664	-	500,000	(539)
ENDING NET ASSETS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 616,899</u>	<u>\$ (23,753)</u>	<u>\$ (15,924)</u>	<u>\$ -</u>	<u>\$ 500,000</u>	<u>\$ (2)</u>

Southwest Virginia Legal Aid Society, Inc.
SCHEDULE OF ACTIVITY BY FUND
For the Year Ended December 31, 2023

	Administration on Aging				VA Dept. of Criminal Justice			Department of Justice		
	District III	AASC	NRV	Mountain	CVC	V-Stop	VOCA	LAV	RURAL	Black Lung
			Area on	Empire						
			Aging	Older Citizens						
REVENUES:										
Grants	\$ 8,000	\$ 3,500	\$ 4,950	\$ 6,875	\$ 1,035	\$ 15,062	\$ 265,944	\$ 213,908	\$ 275,662	\$ -
Interest income	-	-	-	-	-	-	-	-	-	-
In-kind	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-	-
TOTAL REVENUES	8,000	3,500	4,950	6,875	1,035	15,062	265,944	213,908	275,662	-
EXPENSES:										
Salaries & wages	7,258	3,176	4,491	6,272	1,035	10,996	244,218	139,050	120,195	-
Payroll taxes	742	324	459	603	-	760	6,451	10,772	9,514	-
Fringe benefits	-	-	-	-	-	1,938	8,426	14,455	21,640	-
Travel & training	-	-	-	-	-	-	-	-	3,135	-
Telephone	-	-	-	-	-	231	1,279	808	763	-
Space & occupancy	-	-	-	-	-	240	1,053	680	798	-
Library up-keep	-	-	-	-	-	224	1,007	625	607	-
Supplies & contracted services	-	-	-	-	-	673	2,877	1,806	1,676	-
Insurance	-	-	-	-	-	-	528	304	-	-
Professional dues	-	-	-	-	-	-	-	-	-	-
Professional services	-	-	-	-	-	-	105	45,408	117,334	-
In-kind professional services	-	-	-	-	-	-	-	-	-	-
Litigation	-	-	-	-	-	-	-	-	-	-
Depreciation & amortization	-	-	-	-	-	-	-	-	-	-
Lease expense	-	-	-	-	-	-	-	-	-	-
Other expense	-	-	-	-	-	-	-	-	-	-
TOTAL EXPENSES	8,000	3,500	4,950	6,875	1,035	15,062	265,944	213,908	275,662	-
REVENUES OVER (UNDER) EXPENSES	-	-	-	-	-	-	-	-	-	-
OTHER CHANGES IN NET ASSETS:										
Acquisition of property	-	-	-	-	-	-	-	-	-	-
Lease payments	-	-	-	-	-	-	-	-	-	-
Transfer in (out)	-	-	-	-	-	-	-	-	-	-
NET OTHER CHANGES	-	-	-	-	-	-	-	-	-	-
TOTAL CHANGES IN NET ASSETS	-	-	-	-	-	-	-	-	-	-
BEGINNING NET ASSETS	37,135	25,888	15,542	30,556	-	-	(47)	-	-	5,300
ENDING NET ASSETS	\$ 37,135	\$ 25,888	\$ 15,542	\$ 30,556	\$ -	\$ -	\$ (47)	\$ -	\$ -	\$ 5,300

Southwest Virginia Legal Aid Society, Inc.
SCHEDULE OF ACTIVITY BY FUND
For the Year Ended December 31, 2023

	Conferences						Outreach	Without donor	Property	
	Veterans	DV	Elder	Bench Bar	Insurance Proceeds	Drug Courts		restrictions Unrestricted	Non-LSC	LSC
REVENUES:										
Grants	\$ -	\$ 4,928	\$ 8,562	\$ 2,944	\$ -	\$ 7,200	\$ -	\$ -	\$ -	\$ -
Interest income	-	-	-	-	-	-	-	-	-	-
In-kind	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	7,250	6,230	-	-
TOTAL REVENUES	-	4,928	8,562	2,944	-	7,200	7,250	6,230	-	-
EXPENSES:										
Salaries & wages	-	-	-	-	-	2,469	-	-	-	-
Payroll taxes	-	-	-	-	-	-	-	-	-	-
Fringe benefits	-	-	-	-	-	-	-	-	-	-
Travel & training	-	13,130	11,955	5,276	-	-	4,577	84	-	-
Telephone	-	-	-	-	-	-	-	-	-	-
Space & occupancy	-	-	-	-	-	-	-	11	-	-
Library up-keep	-	-	-	-	-	-	-	-	-	-
Supplies & contracted services	-	-	-	332	-	-	3,030	-	-	-
Insurance	-	-	-	-	-	-	-	-	-	-
Professional dues	-	-	-	-	-	-	-	-	-	-
Professional services	-	-	-	-	-	-	-	54	-	-
In-kind professional services	-	-	-	-	-	-	-	-	-	-
Litigation	-	-	-	-	-	-	-	2,432	-	-
Depreciation & amortization	-	-	-	-	-	-	-	-	14,815	5,306
Lease expense	-	-	-	-	-	-	-	-	26,621	24,084
Other expense	-	-	-	-	(207)	-	4,412	756	-	-
TOTAL EXPENSES	-	13,130	11,955	5,608	(207)	2,469	12,019	3,337	41,436	29,390
REVENUES OVER (UNDER) EXPENSES	-	(8,202)	(3,393)	(2,664)	207	4,731	(4,769)	2,893	(41,436)	(29,390)
OTHER CHANGES IN NET ASSETS:										
Acquisition of property	-	-	-	-	-	-	-	-	28,433	-
Lease payments	-	-	-	-	-	-	-	-	26,272	19,328
Transfer in (out)	-	-	-	-	-	-	-	(37,601)	-	-
NET OTHER CHANGES	-	-	-	-	-	-	-	(37,601)	54,705	19,328
TOTAL CHANGES IN NET ASSETS	-	(8,202)	(3,393)	(2,664)	207	4,731	(4,769)	(34,708)	13,269	(10,062)
BEGINNING NET ASSETS	9,622	21,012	20,914	23,224	(207)	(4,731)	9,091	52,657	295,093	76,808
ENDING NET ASSETS	\$ 9,622	\$ 12,810	\$ 17,521	\$ 20,560	\$ -	\$ -	\$ 4,322	\$ 17,949	\$ 308,362	\$ 66,746

Southwest Virginia Legal Aid Society, Inc.
 SCHEDULE OF ACTIVITY BY FUND
 For the Year Ended December 31, 2023

	Total 2023	Total 2022
REVENUES:		
Grants	\$ 3,609,391	\$ 3,464,128
Interest income	41,638	4,852
In-kind	60,555	45,590
Miscellaneous	15,180	25,903
TOTAL REVENUES	<u>3,726,764</u>	<u>3,540,473</u>
EXPENSES:		
Salaries & wages	2,414,076	2,422,958
Payroll taxes	184,176	187,051
Fringe benefits	463,029	471,540
Travel & training	95,765	76,354
Telephone	35,248	36,709
Space & occupancy	34,899	50,582
Library up-keep	24,836	19,819
Supplies & contracted services	83,488	82,359
Insurance	23,316	14,863
Professional dues	13,818	13,920
Professional services	232,417	145,622
In-kind professional services	60,555	45,590
Litigation	2,528	-
Depreciation & amortization	20,121	27,958
Lease expense	50,705	50,705
Other expense	9,262	17,366
TOTAL EXPENSES	<u>3,748,239</u>	<u>3,663,396</u>
REVENUES OVER (UNDER) EXPENSES	(21,475)	(122,923)
OTHER CHANGES IN NET ASSETS:		
Acquisition of property	-	-
Lease payments	-	-
Transfer in (out)	-	-
NET OTHER CHANGES	<u>-</u>	<u>-</u>
TOTAL CHANGES IN NET ASSETS	(21,475)	(122,923)
BEGINNING NET ASSETS	<u>1,670,961</u>	<u>1,793,884</u>
ENDING NET ASSETS	<u><u>\$ 1,649,486</u></u>	<u><u>\$ 1,670,961</u></u>